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ABSTRACT

A study examined the costs, outcomes, and administrative structure of the Job Corps program. Information obtained from the Department of Labor's (DOL) Office of Job Corps and discussions with DOL officials was used to study the structure of the Job Corps program, cost differences between Job Corps centers run by contractors and Civilian Conservation Centers (CCCs), outcomes for students trained by national sole-source contractors, and sole-source contractors' hiring of students. The study established that the Job Corps' administrative structure has not changed substantially since 1986 and that 108 Job Corps centers in 43 states, the District of Columbia, and Puerto Rico are currently providing basic education, vocational training, and other services to economically disadvantaged youth in residential settings. In 1991, the cost per training slot at CCCs was higher than that at contractor-operated centers ($17,602 versus $15,835). Youths completing training at CCCs were slightly more likely to be placed in jobs than were youth receiving training at contract centers, and CCC students received higher starting wages ($6.50/hour) than did other students ($5.45/hour). Few students were hired by center operators after completing training; however, union contractors helped place 16% of their students in apprenticeships. (MN)

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February 19, 1993

The Honorable Ralph M. Hall
House of Representatives

The Honorable Richard K. Armey
House of Representatives

The enclosed materials were prepared at your request to provide information on the costs, outcomes, and administrative structure of the Job Corps program. In particular, you asked us to update information contained in an earlier report on Job Corps costs and outcomes in 1984 (Job Corps: Its Costs, Employment Outcomes, and Service to the Public, GAO/HRD-86-112BR, July 30, 1986). The materials presented are based on information obtained from the Department of Labor's Office of Job Corps and discussions with Labor officials relating to:

-- the structure of the Job Corps program,

-- cost differences between centers run by contractors and Civilian Conservation Centers,

-- outcomes for students trained by national sole-source contractors, and

-- sole-source contractors' hiring of students.

The Job Corps administrative structure has not changed substantially since our 1986 report. At present, 108 centers operate in 43 states, the District of Columbia, and Puerto Rico. The centers generally provide basic education, vocational training and other services, such as health care, social skills training, and placement services, to economically disadvantaged youth in a residential setting, although two centers are nonresidential. The average stay is about 7.6 months.

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Overseen by the Department of Labor's Office of Job Corps, the centers are operated by corporations or nonprofit organizations under contracts with Labor, or by the Departments of Agriculture or the Interior, which operate centers on public lands. Those operated by federal departments are referred to as Civilian Conservation Centers (CCC). During program year 1991 (ending June 30, 1992), about 100,000 youth received training in the program's approximately 39,000 slots, with an appropriation of $867.5 million.

In 1991, the cost per slot for CCCs was higher than the cost per slot at contractor-operated centers, similar to our finding on relative costs for 1984. However, the difference in 1991 was not as great as the difference we reported earlier (see table 1).[1] In our 1986 report, we reported that, based on discussions with program officials and contractors and our review of documentation, the cost differences were largely due to cost differences associated with the different kinds of training provided.

Table 1: Cost Per Slot for Contract and Conservation Centers (1984 and 1991)

	All centers	Centers in GAO's prior report	
	1991	1984	1991
Contract centers	$15,066	$10,545	$15,835
Civilian conservation centers	$17,579	$14,776	$17,602
Percent difference	17	40	11

Youth who completed training at CCCs were slightly more likely to be placed in jobs than youth who received training at contract centers; and CCC students received higher starting wages ($6.50 an hour) than did other students ($5.45 an hour).

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[1]Our 1986 report included information on 13 contract centers that were about the same size as the civilian conservation centers. In table 1 we show 1991 data for all centers (column 1) and for those same centers (column 3).

The Office of Job Corps contracts on a sole-source basis with five construction trade unions and one building industry association to provide training to students at many centers under national contracts. Students receiving training from national sole-source contractors have slightly higher placement rates than other students (79 percent of students who received union-provided or trade association-provided vocational training for 90 days or more were placed in a job or in school, compared to 75.5 percent of all students), and union-trained students had the highest starting wages ($7.39 an hour as compared with $5.11 overall).

Both kinds of sole-source contractors--those operating centers and those who provide training under national training contracts--can effect the hiring of students. Contractors are encouraged to hire students upon training completion, but Job Corps program officials stated that few are hired by operators. The union contractors, however, help arrange placement in apprenticeships for their students. In program year 1991, 16 percent of students in training for 90 days or more under the union contracts were placed in apprenticeships.

If you have any questions or would like to discuss this material further, please call me at (202) 512-7014 or Sigurd R. Nilsen at (202) 512-7003.

Clarence C. Crawford, Associate Director
Education and Employment Issues

Enclosure

ENCLOSURE

GAO Human Resources Division

JOB CORPS CENTERS

Comparison of Costs and Outcomes

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GAO Objectives

- Describe program structure
- Compare costs of contractor-operated centers with Civilian Conservation Centers (CCCs)
- Compare overall outcomes with outcomes for those trained by sole-source contractors
- Review sole-source contractors' hiring of enrollees

GAO Methodology

Replicated aspects of 1986 GAO report
- Costs by kind of center
- Outcomes by kind of center

Analyzed data from Labor's Office of Job Corps for Program Year 1991 (7/91 - 6/92)

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GAO Background

- Established by 1964 Economic Opportunity Act as part of Office of Economic Opportunity
- Transferred from OEO to Labor in 1969
- Currently part of JTPA, Title IV-B
- Eligibility: age 16 to 24; dropouts or needing more training; and economically disadvantaged

ENCLOSURE

GAO Status: Program Year 1991

- 108 centers in 43 states, D.C., and Puerto Rico
- 78 contractor-operated centers and 30 CCCs
- 39,249 slots; 101,052 enrollees
- Appropriations: $867 million
- Primarily residential

ENCLOSURE

GAO Results in Brief

Little change in program structure since 1986 GAO report

Higher cost at CCCs; difference reduced since 1986 report

Better outcomes by national training contractors

Apprenticeships arranged for some completers by sole-source contractors

ENCLOSURE

GAO

Center Operators

Contractor centers

- 74 competitive bid contractors
- 4 noncompetitive

CCCs

- 18 Department of Agriculture centers
- 12 Department of Interior centers
- 1992 law prohibits CCCs from being contractor-operated

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GAO Office of Job Corps

Headquarters office and 9 regional offices

- Manage center operation contracts and national training contracts with labor unions
- Review center operations and performance

ENCLOSURE

GAO Participants

- 82% school dropouts
- 69% minority
- 64% male
- Average participant enters program with seventh grade reading ability
- Some with dependents
- Average length of stay 7.6 months

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GAO Services Provided

Basic education

- GED preparation

Vocational skills training

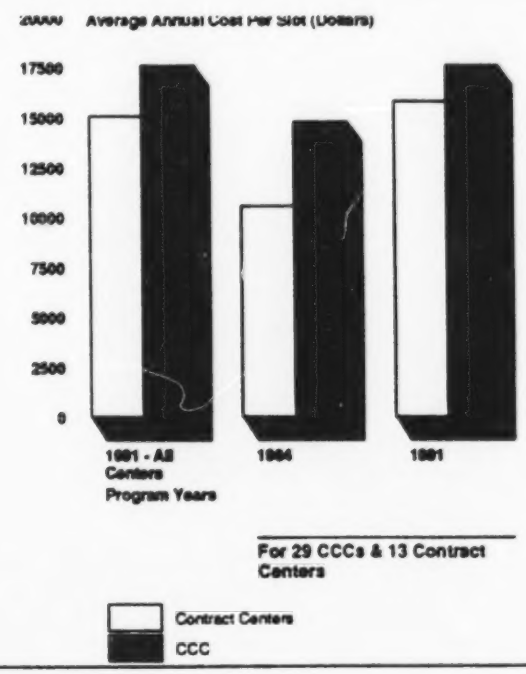
- Business occupations
- Automotive trades
- Construction trades
- Welding
- Health occupations
- Culinary arts
- Building maintenance

Other services

- Placement, medical, child care

ENCLOSURE

GAO Higher Cost at CCCs But Difference Reduced Since 1984



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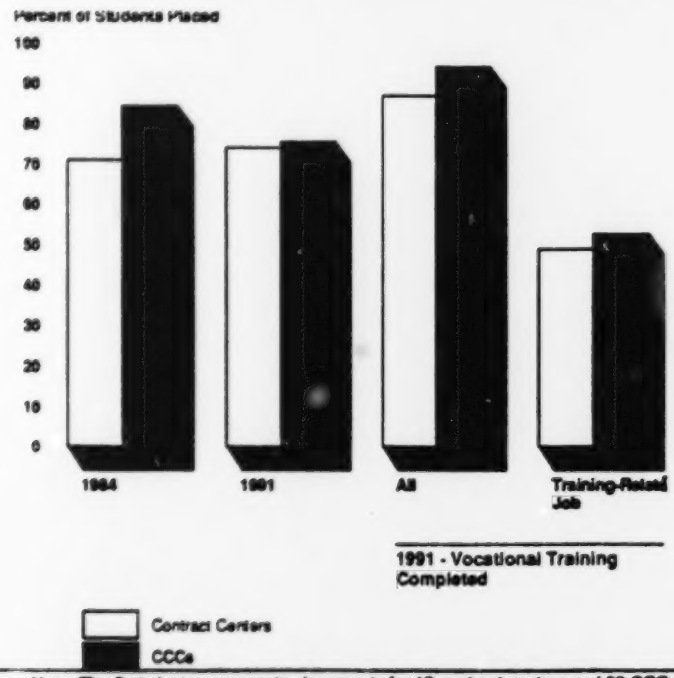
In 1991 Placement Rates for CCCs and Other Centers Similar



Note: The first cluster represents placements for 13 contract centers and 29 CCCs. The second cluster represents placements for all centers. The third cluster represents placements for students who completed vocational training. The fourth cluster represents placements for students who completed vocational training and were placed in a training-related job.

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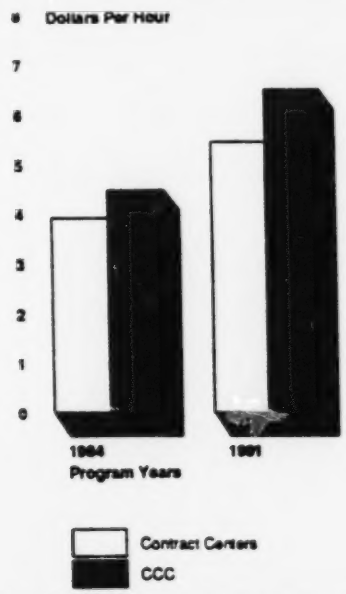
GAO CCC Completers Have Higher Starting Wages



Note: The 1984 bars represent 13 contract centers and 29 CCCs. The 1991 bars represent all centers.

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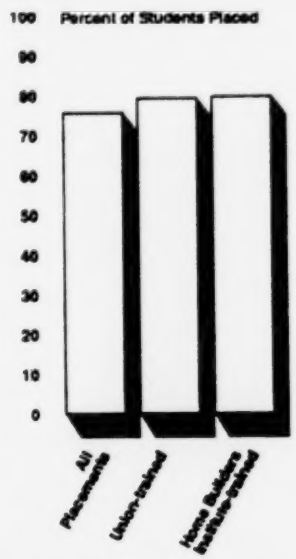
Training Providers

- 24% of training by unions and Home Builders Institute under national, sole-source contracts
- 76% of training by center staff or local institutions

ENCLOSURE

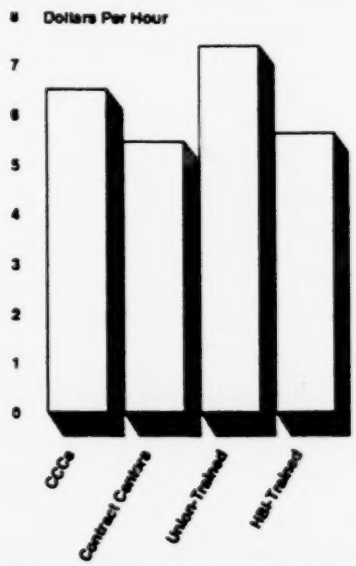
National Training Contractors Appear to Have Higher Placement Rates



Note: The first bar includes all enrollees; the last two bars include only enrollees in vocational training 90 days or more and then placed either in a job or in school.

ENCLOSURE

Union Contractors Have Higher Starting Wages



Note: Includes only students who obtained training-related jobs. The first two columns include students who completed their vocational training; the last two columns include students who were in the program 90 or more days.

Hiring of Students by Center Operators

- Operations contract encourages center operators to hire students
- Few students are hired by center operators
- Fewer operators are large corporations

ENCLOSURE

Apprenticeships Arranged Through National Training Contractors

- National training contractors do not hire; they place the students
- Unions arranged apprenticeships for 16%
- Home Builders Institute arranged apprenticeships for 4%

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